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TITLE 26

TAXATION

(CHAPTERS 34-51 IN VOLUME 26B; CHAPTERS 52-57 IN
VOLUME 27A; CHAPTERS 58-82 IN VOLUME 27B)

SUBTITLE 1. GENERAL PROVISIONS

CHAPTER.

4. TAX INCENTIVES.
5. MULTISTATE TAX COMPACT.

SUBTITLE 2. ADMINISTRATION OF STATE TAXES

CHAPTER.

18. STATE TAX PROCEDURE GENERALLY.

SUBTITLE 3. ADMINISTRATION OF LOCAL TAXES

CHAPTER.

26. ASSESSMENT OF TAXES.
27. EQUALIZATION OF ASSESSMENTS.

SUBTITLE 1. GENERAL PROVISIONS

CHAPTER 3

PROPERTY SUBJECT TO TAXATION AND EXEMPTIONS

SUBCHAPTER 3 — EXEMPTIONS FROM TAXATION

26-3-302. Intangible personality.

CASE NOTES

Applicability

Intangible personal property of a cable television company, including franchise agreements, customer relationships, and good will, was subject to ad-valorem assessment and taxation under § 26-26-1606(b). The words “this subchapter” in § 26-26-1606 should be read to mean “this

act,” as they did prior to changes by the Arkansas Code Revision Commission, and therefore included all companies subject to taxation by the Arkansas Public Service Commission. *Falcon Cable Media LP v. Ark. PSC*, 2012 Ark. 463, — S.W.3d —, 2012 Ark. LEXIS 501 (Dec. 13, 2012).

CHAPTER 4

TAX INCENTIVES

SUBCHAPTER.

2. MOTION PICTURES.

SUBCHAPTER 2 — MOTION PICTURES

SECTION.

26-4-201 — 26-4-210. [Repealed.]

26-4-211. [Repealed.]

SECTION.

26-4-212, 26-4-213. [Repealed.]

26-4-201 — 26-4-210. [Repealed.]

Publisher's Notes. These sections, concerning tax incentives, were repealed by Acts 2013, No. 1143, § 1. The sections were derived from the following sources:

26-4-201. Acts 1983, No. 276, § 1; A.S.A. 1947, § 84-4801.

26-4-202. Acts 1983, No. 276, § 2; A.S.A. 1947, § 84-4802.

26-4-203. Acts 1983, No. 276, § 3; A.S.A. 1947, § 84-4803; Acts 1997, No. 540, § 53.

26-4-204. Acts 1983, No. 276, § 9; A.S.A. 1947, § 84-4809.

26-4-205. Acts 1983, No. 276, § 4; A.S.A. 1947, § 84-4804.

26-4-206. Acts 1983, No. 276, § 5; 1985, No. 895, § 1; A.S.A. 1947, § 84-4805; Acts 1991, No. 989, § 1.

26-4-207. Acts 1983, No. 276, § 12; A.S.A. 1947, § 84-4812.

26-4-208. Acts 1983, No. 276, § 6; 1985, No. 895, §§ 2-4; A.S.A. 1947, § 84-4806; Acts 1987, No. 1032, § 1; 1991, No. 989, § 2.

26-4-209. Acts 1983, No. 276, § 7; A.S.A. 1947, § 84-4807.

26-4-210. Acts 1983, No. 276, § 11; A.S.A. 1947, § 84-4811.

26-4-211. [Repealed.]

Publisher's Notes. This section, concerning the Motion Picture Office Fund, was repealed by Acts 2009, No. 816, § 3.

The section was derived from Acts 1983, No. 276, § 8; A.S.A. 1947, § 84-4808.

26-4-212, 26-4-213. [Repealed.]

Publisher's Notes. These sections, concerning rules and regulations and disclaimer by state, were repealed by Acts 2013, No. 1143, § 1. The sections were derived from the following sources:

26-4-212. Acts 1983, No. 276, § 13; A.S.A. 1947, § 84-4813.

26-4-213. Acts 1983, No. 276, § 10; A.S.A. 1947, § 84-4810.

CHAPTER 5

MULTISTATE TAX COMPACT

SECTION.

26-5-104. Advisory committee.

26-5-104. Advisory committee.

(a) There is established a Multistate Tax Compact Advisory Committee of this state composed of:

(1) The member of the Multistate Tax Commission representing this state or any alternate designated by him or her;

(2) The Attorney General or his or her designee;

(3)(A) Two (2) persons appointed by the President Pro Tempore of the Senate.

(B) A person appointed under subdivision (a)(3)(A) of this section shall serve a term a term of two (2) years.

(C) A vacancy shall be filled in the manner of the original appointment; and

(4)(A) Two (2) persons appointed by the Speaker of the House of Representatives.

(B) A person appointed under subdivision (a)(4)(A) of this section shall serve a term a term of two (2) years.

(C) A vacancy shall be filled in the manner of the original appointment.

(b) The chair of the advisory committee shall be the member of the commission representing this state.

(c)(1) The committee shall meet on the call of its chair or at the request of a majority of its members, but, in any event, it shall meet not less than one (1) time each year.

(2) The committee may consider any and all matters relating to recommendations of the commission and the activities of the members in representing this state on it.

History. Acts 1967, No. 410, § 5; A.S.A. 1947, § 84-4105; Acts 1995, No. 1160, § 14; 2013, No. 1287, § 4.

Amendments. The 2013 amendment added (a)(3)(B) and (C); substituted “per-

sons” for “members of the Senate” in (a)(3)(A); added (a)(4)(B) and (C); substituted “persons” for “members of the House of Representatives” in (a)(4)(A).

SUBTITLE 2. ADMINISTRATION OF STATE TAXES**CHAPTER 18****STATE TAX PROCEDURE GENERALLY****SUBCHAPTER.**

1. GENERAL PROVISIONS.
3. ADMINISTRATION GENERALLY.
4. ASSESSMENTS.
5. LIABILITY AND PAYMENT.
7. ENFORCEMENT.

SUBCHAPTER 1 — GENERAL PROVISIONS

SECTION.

26-18-104. Definitions. [Effective January 1, 2014.]

Effective Dates. Acts 2013, No. 623, provided: "This act is effective on and after January 1, 2014." § 8: Jan. 1, 2014. Effective date clause

26-18-104. Definitions. [Effective January 1, 2014.]

As used in this chapter:

(1) "Assessment" means the determination and imposition of the amount of any state tax due and owing, whether made on a return filed by a taxpayer or by the Director of the Department of Finance and Administration on audit or otherwise;

(2) "Corporation" means an organization, other than a partnership, defined as follows:

(A) Created or organized under the laws of Arkansas; or

(B) Qualified to do or doing business in Arkansas, whether or not for profit, in a corporate or organized capacity, by virtue of creation or organization under the laws of the United States or some state, territory, district, or of a foreign country;

(C) Associations, joint-stock companies, insurance companies, including surety and bond companies;

(D) Unless otherwise expressly stated, common law or statutory trusts;

(E) All other business organizations or entities which are organized for profit when the business is conducted by a trustee, or when the interest or ownership in the business is evidenced by a certificate, declaration of trust, or other written instrument; and

(F) National banking associations, state banks, and trust companies, state or national savings and loan associations, or building and loan associations;

(3) "Decision of the director" means any order, ruling, finding, regulation, or action taken by the director in the administration and enforcement of any state tax law;

(4) "Director" means the Director of the Department of Finance and Administration, State of Arkansas, or the Administrative Assistant for Revenue, or his or her authorized agent;

(5) "Excise tax" means any state tax other than an individual, corporate, or fiduciary income tax;

(6) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person, whether individual or corporate, acting in any fiduciary capacity for any person, trust, or estate;

(7) "Individual" means a natural person;

(8) "Noncompliant taxpayer" means any taxpayer who has failed to:

(A) File two (2) returns during any consecutive twenty-four-month period for:

(i) Gross receipts or compensating use tax; or

(ii) State income tax withholding for employees; or

(B) Pay the tax reported on the tax return or determined by the Department of Finance and Administration to be due for any two (2) months during any consecutive twenty-four-month period for:

(i) Gross receipts or compensating use tax; or

(ii) State income tax withholding for employees;

(9) "Overpayment" means the amount of any state tax paid in excess of the amount required to be paid under the particular state tax law in question;

(10)(A) "Partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not a trust or estate or classed as a corporation within the provisions of this chapter.

(B) "Partner" includes a member of a syndicate, group, pool, joint venture, or organization;

(11)(A) "Person" means an individual, trust, estate, fiduciary, firm, partnership, limited liability company, or corporation.

(B) "Person" shall include:

(i) The directors, officers, agents, and employees of any person;

(ii) Beneficiaries, members, managers, and partners; and

(iii) Any county or municipal subdivision of the state;

(12)(A) "Return" means any tax or information return, report, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of any state tax law which is filed with the director by, on behalf of, or with respect to any person, and any amendment or supplement to a tax or information return, report, declaration of estimated tax, or claim for refund, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return so filed.

(B) "Return" does not include:

(i) An application for any motor vehicle registration or license or any operator's or chauffeur's license;

(ii) A list showing the issuance of any motor vehicle registration or license or any operator's or chauffeur's license; or

(iii) Any information relating to any motor vehicle registration or license or any operator's or chauffeur's license;

(13) "State tax" means any tax, any fee for a license, permit, or registration, or any other fee or charge which is payable to, collected by, or administered by the Revenue Division of the Department of Finance and Administration;

(14) "State tax law" means this chapter and any other law of the State of Arkansas which levies, imposes, or relates procedurally or otherwise to any state tax;

(15) "Tax deficiency" or "deficiency" means the amount by which the tax imposed by any state tax exceeds the excess of the sum of:

(A) The amount shown as the tax by the taxpayer on his or her return if a return was made by the taxpayer; plus

(B) The amounts previously assessed or collected without assessment as a deficiency;

(16) "Taxpayer" means:

(A) Any person subject to or liable for any state tax;

(B) Any person required to file a return, to pay, or to withhold and remit any tax required by the provisions of any state tax law;

(C) Any person required to obtain a license or a permit or to keep any records under any state tax law; or

(D) Any person who files a return and pays a reported tax without regard to whether he or she was required to file the return;

(17)(A) "Tax return preparer" means any person who prepares for compensation, or who employs one (1) or more persons to prepare for compensation, any state tax return or claim for refund.

(B) For purposes of this subdivision (17), the preparation of a substantial portion of a return or claim for refund shall be treated as if it were the preparation of the return or claim for refund; and

(18) "Underpayment" means the difference between the state tax paid and the amount required to be paid under the particular state tax law in question.

History. Acts 1979, No. 401, § 3; A.S.A. 1947, § 84-4703; Acts 1993, No. 332, § 3; 1995, No. 1160, § 16; 2003, No. 1718, § 1; 2003 (2nd Ex. Sess.), No. 46, § 1; 2009, No. 360, § 1; 2013, No. 623, § 7.

Publisher's Notes. For version of section effective until January 1, 2014, see the bound volume.

Amendments. The 2013 amendment,

in (13), deleted "or" following "means any tax," inserted "or any other fee or charge," and deleted "State of Arkansas" from the end.

Effective Dates. Acts 2013, No. 623, § 8: Jan. 1, 2014. Effective date clause provided: "This act is effective on and after January 1, 2014."

SUBCHAPTER 3 — ADMINISTRATION GENERALLY

SECTION.

26-18-303. Records confidential and privileged — Exceptions.

26-18-303. Records confidential and privileged — Exceptions.

(a)(1) The Director of the Department of Finance and Administration is the official custodian of all records and files required by any state tax law to be filed with the Director of the Department of Finance and Administration and is required to take all steps necessary to maintain their confidentiality.

(2)(A)(i) Except as otherwise provided by this chapter, the records and files of the Director of the Department of Finance and Administration concerning the administration of any state tax law are confidential and privileged.

(ii) These records and files and any information obtained from these records or files or from any examination or inspection of the premises or property of any taxpayer shall not be divulged or disclosed by the Director of the Department of Finance and Administration or any other person who may have obtained these records and files.

(B) It is the specific intent of this chapter that all tax returns, audit reports, and information pertaining to any tax returns, whether filed by individuals, corporations, partnerships, or fiduciaries, shall not be subject to the provisions of the Freedom of Information Act of 1967, § 25-19-101 et seq.

(b) The provisions against disclosures shall not apply to the following:

(1) Publication of statistics by the Director of the Department of Finance and Administration classified to prevent the identification of a particular taxpayer;

(2) Use of the information in records filed under any state tax law by the Director of the Department of Finance and Administration when conducting any audit or investigation of any taxpayer in regard to any state tax;

(3)(A) Disclosure of information to the Attorney General of this state, any prosecuting attorney, or any other individual who is empowered by law to prosecute criminal and civil violations of any state tax law when the Director of the Department of Finance and Administration initiates the investigation.

(B) If the prosecution is initiated by the Attorney General or a prosecuting attorney, the Director of the Department of Finance and Administration shall not disclose any information unless required by subpoena issued by a circuit court.

(C) Information may be introduced as evidence by the Attorney General, a prosecuting attorney, or other individual so empowered when the individual is prosecuting any civil or criminal violation of state tax law;

(4) Disclosure compelled by any Arkansas circuit court, the Supreme Court, the Court of Appeals, or by any federal court of information involved in any case or controversy before that court;

(5) Disclosure by the taxpayer or the taxpayer's authorized agent or by the Director of the Department of Finance and Administration, at the taxpayer's request, of any information which the Director of the Department of Finance and Administration has concerning that taxpayer;

(6) Disclosure by the Director of the Department of Finance and Administration, at the Director of the Department of Finance and Administration's discretion, of information from the records of any state tax law to comparable officials of any other state or the United States who are charged with the administration of a similar tax;

(7) Disclosure of motor vehicle titling and registration information, all licenses and permits issued to owners and operators of coin-operated

amusement machines pursuant to §§ 26-57-402, 26-57-408 — 26-57-421, and 26-77-303, and tax records, files, and other information relating to sales of aviation fuel at airports and other aviation fuel outlets;

(8) Disclosure of information other than income tax information at an administrative hearing held regarding the issuance, cancellation, revocation, or suspension of licenses or permits issued by the Director of the Department of Finance and Administration or any other state agency or department;

(9)(A) Disclosure to the Arkansas Student Loan Authority, the Department of Higher Education, the Student Loan Guarantee Foundation of Arkansas, or any Arkansas public institution of higher education of the last known address or whereabouts or the last known employer of any person from whom these agencies are charged with collecting a student loan or other student indebtedness.

(B) In providing such information, the Director of the Department of Finance and Administration shall not allow the Arkansas Student Loan Authority, the Student Loan Guarantee Foundation of Arkansas, the Department of Higher Education, or any Arkansas public institution of higher education to examine the tax return;

(10)(A) In order to ensure proper payment to vendors by all agencies of state government or by county governments or city governments, information about the receipt or nonreceipt of sales tax permits by vendors must be made available by the Director of the Department of Finance and Administration upon request by these agencies of state government or by county governments or city governments.

(B) Therefore, notwithstanding any provision of this chapter or any other law to the contrary, in instances when state agencies, boards, commissions, and other branches of state government or county governments or city governments identify to the Director of the Department of Finance and Administration the identity of vendors receiving payments and ask the Director of the Department of Finance and Administration whether these vendors have been issued sales tax permits, the Director of the Department of Finance and Administration shall answer these inquiries;

(11) Disclosure of the name of any taxpayer and the amount of any tax credit, tax rebate, tax discount, or commission for the collection of a tax received by such taxpayer from the following tax incentive provisions:

(A) Discount for prompt payment, § 26-52-503;

(B) Economic Investment Tax Credit Act, § 26-52-701 et seq.;

(C) Steel mill tax incentives, §§ 26-52-901 — 26-52-903 and §§ 26-52-912 — 26-52-914;

(D) Motor fuel shrinkage allowance, § 26-55-230(a)(1)(F);

(E) Commission for sale of stamps for cigarettes and the collection of cigarette taxes, § 26-57-236(f);

(F) Credit on severance tax of oil producer, § 26-58-204;

(G) Credit on severance tax of gas producer, § 26-58-205;

(H) Refund of motor fuel tax by municipal buses, § 26-55-401 et seq.;

(I) Refund of distillate special fuel tax to interstate users, §§ 26-56-214 and 26-56-215;

(J) Credit against severance tax for the discovery of a commercial oil pool, § 15-72-706;

(K) Native wines — Subsidies, § 3-5-1001 et seq.;

(L) Native wines — Incentive grants, § 3-5-901 et seq.;

(M) Consolidated Incentive Act of 2003, § 15-4-2701 et seq.; and

(N)(i) Any other tax incentive program enacted after January 1, 1991, that provides a tax credit, tax rebate, tax discount, or commission for the collection of a tax, with the exception of any benefits under the income tax laws of this state.

(ii) However, information that is subject to disclosure under the provisions of this subdivision (b)(11) shall not be disclosed if such information would give an advantage to competitors or bidders or if such information is exempt from disclosure under any other provision of law that exempts specified information from disclosure under any such law;

(12) Disclosure of the lists required by:

(A) Section 3-2-205(e)(4), reporting to the Alcoholic Beverage Control Division of the Department of Finance and Administration and the Alcoholic Beverage Control Board those taxpayers who hold a permit to sell alcoholic beverages and who are delinquent in state taxes; and

(B) Section 26-57-257(q)(2), reporting to the Arkansas Tobacco Control Board those taxpayers who hold a permit to sell tobacco products and cigarettes and who are delinquent in state taxes;

(13) Disclosure to the Tax Division of the Arkansas Public Service Commission of information contained in motor fuel tax records necessary to assess motor carrier companies for ad valorem taxation;

(14)(A) Disclosure of the following information from corporate franchise tax reports:

(i) The name and address of the corporation;

(ii) The name of the corporation's president, vice president, secretary, treasurer, and controller;

(iii) The total authorized capital stock with par value;

(iv) The total issued and outstanding capital stock with par value; and

(v) The state of incorporation.

(B) In the case of a franchise tax report filed by an organization formed under the Small Business Entity Tax Pass Through Act, § 4-32-101 et seq., the confidentiality provision of subsection (a) of this section shall apply to the names of members of the organization, except those designated in the organization's franchise tax report as a manager, president, vice president, secretary, treasurer, or controller of the organization, unless the organization has no registered agent for service of process, in which case the confidentiality provisions of subsection (a) of this section shall not apply;

(15) Disclosure compelled by a subpoena issued by a state or federal prosecutor or grand jury or other state or federal entity with subpoena power;

(16)(A) Disclosure to county assessors of information that may affect personal property tax assessments, including information obtained during the course of audits or investigations concerning motor vehicles, boats, trailers, airplanes, or other items of personal property that may be subject to assessment in that county.

(B) This information may be released only following completion of an audit or investigation by the Director of the Department of Finance and Administration and following a determination by the Director of the Department of Finance and Administration that there is a strong possibility the taxpayer has failed to properly assess the taxpayer's personal property in the county.

(C) In providing this information, the Director of the Department of Finance and Administration shall not allow the county assessors to examine any tax returns or audit records;

(17) Disclosure to a capital development company organized under the Arkansas Capital Development Company Act, § 15-4-1001 et seq., of the name and tax identification number of and amount of any tax credit received by a taxpayer as a result of the purchase of an equity interest in a capital development company;

(18)(A) For the purpose of the timely and accurate collection of local sales and use tax and state income tax withholding for employees, disclosure of the name and address of a taxpayer that has failed three (3) times within any consecutive twenty-four-month period to either report or remit state or local gross receipts or compensating use tax or state income tax withholding for employees and has been served with a business closure order under § 26-18-1001 et seq.

(B) Disclosure shall be made by posting weekly on the website maintained by the Department of Finance and Administration the business name, business address, and city and county in which the business is located as it appears on the sales tax permit or the state income tax withholding for employees registration of each taxpayer identified in subdivision (b)(18)(A) of this section.

(C) The information posted on the website for a taxpayer shall remain on the website until that taxpayer is no longer subject to the business closure provisions of § 26-18-1001 et seq.;

(19)(A) Disclosure to the Arkansas Economic Development Commission of any information requested regarding a tax incentive program that provides a tax credit, tax rebate, tax discount, or other economic incentive that is jointly administered by the Arkansas Economic Development Commission and the Department of Finance and Administration.

(B) Any information received by the Arkansas Economic Development Commission under this section shall remain confidential and is not subject to disclosure except in accordance with this section;

(20) Disclosure to the office of a standing Chapter 13 bankruptcy trustee, upon the request of the trustee, whether or not a taxpayer filed

a state tax return for all taxable periods ending during the four-year period ending on the date of the filing of a petition for relief under Chapter 13 of Title 11 of the United States Code;

(21)(A) To perform audit and compliance duties, disclosure to the Department of Workforce Services of withholding tax information reported by companies doing business in Arkansas, including without limitation taxpayer names, taxpayer addresses, tax identification numbers, and tax withholding information.

(B) Information received by the Department of Workforce Services under this section shall remain confidential and is not subject to disclosure except in accordance with this section;

(22) Disclosure of information, including disclosure as required under § 26-55-232, regarding delinquent motor fuel excise tax levied by the Motor Fuel Tax Law, § 26-55-201 et seq., and by § 26-56-601 et seq., to a bonding company that provides the surety bond required by § 26-55-222 for the taxpayer that owes the delinquent tax;

(23) Disclosure of information regarding delinquent distillate special fuel tax levied by § 26-56-201 et seq., and by § 26-56-601 et seq., to a bonding company that provides the surety bond required by § 26-56-204 for the taxpayer that owes the delinquent tax;

(24) Disclosure of information regarding delinquent liquefied gas special fuel tax levied by § 26-56-301 et seq. and by § 26-56-601 et seq. to a bonding company that provides the surety bond required by § 26-56-303 for the taxpayer that owes the delinquent tax; and

(25)(A) Disclosure of information in the books of the Department of Finance and Administration concerning a taxpayer by the Department of Finance and Administration to a joint auditor employed under the authority of § 26-75-619 when the joint auditor requests the information.

(B) Information received by the joint auditor under subdivision (b)(25)(A) of this section shall remain confidential and is not subject to disclosure except in accordance with this section.

(c) The provisions of this section shall be strictly interpreted and shall not permit any other disclosure of tax information concerning a taxpayer, whether the taxpayer is an individual, a corporation, a partnership, or a fiduciary, that is contained in the records and files of the Director of the Department of Finance and Administration relating to income tax or any other state tax administered under this chapter.

(d)(1) Any person who knowingly discloses information in violation of a provision of this section shall be guilty of a Class A misdemeanor.

(2) An employee of the state who is convicted of violating a provision of this section shall be discharged from employment in addition to any fine or imprisonment.

(e) Any person who knowingly obtains or attempts to obtain any of the confidential and privileged records and files of the Director of the Department of Finance and Administration who is not so permitted by law is guilty of a Class A misdemeanor.

(f) The Director of the Department of Finance and Administration shall report all violations of this section to the appropriate prosecuting attorney in this state.

(g)(1) The Director of the Department of Finance and Administration shall promulgate such regulations as are necessary to establish a reasonable procedure for making requests for and release of information under subdivision (b)(11) of this section, for allowing a taxpayer reasonable notice in advance of the release of the requested information, for a period of time up to seven (7) days from the date a request for information is made to provide notice and make necessary determinations, and to provide the methods by which the Director of the Department of Finance and Administration shall determine if the information requested is subject to disclosure under Arkansas law.

(2) The provisions of this section shall solely govern the release of information under subdivision (b)(11) of this section, and the release of information shall not be subject to the Freedom of Information Act of 1967, § 25-19-101 et seq.

(h)(1) Upon the request of a county government or a city government, the Director of the Department of Finance and Administration shall provide a list of vendors within the requesting county or city who hold permits issued pursuant to the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(2) Requests made pursuant to this subsection must be made in writing by an official of the county government or city government prior to August 1 of the calendar year for which the list is requested.

(3) Lists provided pursuant to the provisions of this subsection will be made available following October 1 of the year requested and will be compiled from the list of all valid sales tax permit holders within the requesting county or city as of September 1 of the year requested.

(4)(A) A reasonable fee based upon the number of permit holders within the requesting city or county may be charged for the permit search made and reported to the requesting county or city government.

(B) Fees collected under the provisions of this subsection shall be deposited into the State Central Services Fund to be treated as a refund of expenditures to reimburse the Department of Finance and Administration for the costs of providing the requested information.

(i)(1) The Director of the Department of Finance and Administration may disclose information from a return filed by a person, partnership, corporation, trust, or estate to any of the parties who signed the return:

(A) Who is the administrator, executor, or trustee of the estate filing the return;

(B) Who was a member of the partnership filing the return during any part of the period covered by the return;

(C) Who is a trustee or beneficiary of the trust filing the return;

(D) Who is an officer or bona fide shareholder of record owning one percent (1%) or more of the outstanding stock of the corporation filing the return;

(E) Who was a shareholder during any part of the period covered by the return filed by a Subchapter S corporation;

(F) Who was a member of the partnership during any part of the period covered by the partnership return; or

(G) Who is the attorney in fact duly authorized in writing by any of the persons described in subdivisions (i)(1)(A)-(F) of this section.

(2) The Director of the Department of Finance and Administration may also disclose all information concerning the collection activity related to a tax return to any party who signed the return.

(3) The Director of the Department of Finance and Administration shall promulgate such regulations as are necessary to establish a reasonable procedure for making requests for and for the release of information under this section.

(j)(1) The General Assembly finds that:

(A) The collection of cigarette and other tobacco products taxes and the enforcement of the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., §§ 26-57-260 and 26-57-261, and §§ 26-57-1301 — 26-57-1307, effect the fiscal soundness of the state and the public health;

(B) The Attorney General and the Director of Arkansas Tobacco Control play an important role in the enforcement of the state's tobacco laws; and

(C) The sharing of documents and other information between the Director of the Department of Finance and Administration, the Attorney General, and the Director of Arkansas Tobacco Control will put the state in a better position to prevent tobacco diversion and prevent cigarettes from being sold to youth and an already addicted adult population.

(2) The Director of the Department of Finance and Administration may disclose documents and other information submitted by stamp deputies appointed under § 26-57-236 or those persons licensed or permitted under the terms of the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., to the Attorney General or the Director of Arkansas Tobacco Control upon the request of the Attorney General or the Director of Arkansas Tobacco Control.

(3)(A) The documents and other information provided under this subsection shall not be disclosed by the Attorney General or the Director of Arkansas Tobacco Control to a person other than a person specifically authorized by the Attorney General or the Director of Arkansas Tobacco Control to receive the documents or other information.

(B) However, the Attorney General and the Director of Arkansas Tobacco Control may share the documents and other information provided under this subsection with the taxing authorities or law enforcement agencies of Arkansas or another state or with any other entity permitted by the Attorney General to aggregate the documents and other information, if the parties agree to the confidentiality requirements under this subsection.

(4)(A) The Attorney General and the Director of Arkansas Tobacco Control may use the documents and other information provided under this subsection by the Director of the Department of Finance and Administration in proceedings before any court.

(B)(i) However, the documents and other information shall not be presented in court except with the approval of the court in which the action is pending and after adequate notice to the person who initially furnished the documents or other information to the Director of the Department of Finance and Administration.

(ii) When confidential information is presented with court approval, the documents and other information and the related evidence shall be held in camera and shall be part of the court record or trial transcript only if under seal.

History. Acts 1979, No. 401, § 6; 1981, No. 854, § 1; 1983, No. 673, § 2; 1983, No. 694, §§ 1, 2; 1985, No. 694, § 1; A.S.A. 1947, §§ 84-4706 — 84-4706.2; Acts 1987, No. 382, §§ 29, 30; 1991, No. 400, §§ 1, 2; 1993, No. 403, § 21; 1993, No. 1018, § 2; 1993, No. 1159, § 1; 1995, No. 1276, §§ 1, 2, 3; 1997, No. 1039, § 1; 1999, No. 1126, § 13; 1999, No. 1277, § 9; 1999, No. 1598, § 1; 2001, No. 565, § 1; 2001, No. 1368, § 1; 2003, No. 860, § 10; 2005, No. 1294, § 1; 2007, No. 437, § 1; 2007, No. 827,

§ 196; 2007, No. 865, § 1; 2009, No. 272, § 1; 2009, No. 360, § 2; 2009, No. 504, § 2; 2009, No. 655, § 1; 2011, No. 788, § 2; 2011, No. 836, § 1; 2011, No. 983, § 1; 2013, No. 712, § 1; 2013, No. 1143, § 2.

Amendments. The 2013 amendment by No. 712 added (25)(A) and (B).

The 2013 amendment by No. 1143 inserted “and §§ 26-52-912 – 26-52-914” in (b)(11)(C); and deleted former (b)(11)(F) and (b)(11)(N) and redesignated the remaining subdivisions accordingly.

SUBCHAPTER 4 — ASSESSMENTS

SECTION.

26-18-405. Hearing on proposed assessments.

26-18-405. Hearing on proposed assessments.

(a)(1) The director shall appoint a hearing officer to review all written protests submitted by taxpayers, hold all hearings, and make written findings as to the applicability of the proposed assessment or the denial of the claim for refund.

(2) Decisions of the hearing officer shall be final unless revised by the director.

(3) The hearings on written and oral protests and determinations made by the hearing officer shall not be subject to the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b) The director may appoint one (1) or more hearing officers, but the persons occupying these appointments shall not contemporaneously with the holding of these appointments have any other administrative duties within the Revenue Division of the Department of Finance and Administration.

(c) The actual hearing on the written protest shall be held in any city in which the division maintains a field audit district office or in such other city as the director shall, in his or her discretion, designate.

(d)(1)(A) All written protests filed with the director shall be delivered promptly to the hearing officer.

(B) The hearing officer shall set the time and place for the hearing on a written protest and shall give the taxpayer reasonable notice of the hearing.

(C) If it is not possible for the hearing officer to hold a hearing and issue a decision on a protest of a proposed assessment within one hundred eighty (180) days after the taxpayer files a written protest for reasons that the hearing officer determines are beyond the taxpayer's control, the director shall waive the interest for the period from the time the written protest is filed until the final assessment is issued.

(2) At the hearing, the taxpayer may be represented by an authorized representative and may present evidence in support of his or her position.

(3) After the hearing, the hearing officer shall render his or her decision in writing and shall serve copies upon both the taxpayer and the section or division of the Department of Finance and Administration which proposed the assessment or the denial of the claim for refund.

(4)(A)(i) If the proposed assessment or denial of a claim for refund is sustained, in whole or part, the taxpayer or legal counsel for the director may request in writing, within twenty (20) days of the mailing of the decision, that the director revise the decision of the hearing officer.

(ii) No request for revision will be considered unless it is received by the director within twenty (20) days of the mailing of the hearing decision.

(iii) Either the taxpayer or legal counsel for the director shall provide a copy of any written request for revision to the other.

(iv) The director may hold the supplemental proceedings on any request for revision and shall issue a decision on the request within sixty (60) days of the receipt of the request for revision.

(B) If the director refuses to make a revision or if the taxpayer or legal counsel for the director does not make a request for revision, then the director shall send either:

(i) A final assessment to the taxpayer, as provided by § 26-18-401, that is made upon the final determination of the hearing officer that sustained a proposed assessment of tax; or

(ii) A notice in writing to both the taxpayer and legal counsel for the director, if a revision was requested, of his or her decision not to revise a decision that resulted in no tax due, including the denial of a claim for refund.

(C)(i) If the director revises the decision of the hearing officer, the director shall send the final decision of the director to the taxpayer and to the legal counsel for the director.

(ii) A notice of final assessment shall be made upon the decision of the director if the director's decision sustained a proposed assessment of tax.

(iii) No further notice will be issued for a final decision of the director that results in no tax due, including the denial of a claim for refund.

(D) A taxpayer may not request revision of a decision issued by the director under this subdivision (d)(4).

(e) A taxpayer may seek relief from the final decision of the hearing officer or the director on a final assessment of a tax deficiency or a notice of denial of a claim for refund by following the procedure set forth in § 26-18-406.

(f)(1) In addition to the hearing procedures set out in subsections (a)-(e) of this section, the director may hold administrative hearings by telephone, video conference, or other electronic means if the director determines that conducting the hearing in such a manner:

(A) Is in the best interest of the taxpayer and the department;

(B) Is agreed to by both parties;

(C) Is not fiscally unsound or administratively burdensome; and

(D) Adequately protects the confidentiality of the taxpayer's information.

(2) The director may contract with third parties for all services necessary to conduct hearings by telephone, video, or other electronic means.

(3) Any person who enters into a contract with the director to provide services necessary to conduct hearings by telephone, video, or other electronic means shall be subject to the requirements of this chapter providing for the confidentiality of all taxpayer records.

History. Acts 1979, No. 401, § 20; A.S.A. 1947, § 84-4720; Acts 1993, No. 332, § 4; 1995, No. 655, § 1; 1997, No. 1139, §§ 4-6; 1999, No. 1277, §§ 3-5; 2007, No. 212, § 2; 2011, No. 585, § 1; 2013, No. 1135, § 1.

Amendments. The 2013 amendment inserted "written" following "period from the time the" in (d)(1)(C).

SUBCHAPTER 5 — LIABILITY AND PAYMENT

SECTION.

26-18-509. Liability for payment of taxes

— Falsification of sales transaction records.

26-18-509. Liability for payment of taxes — Falsification of sales transaction records.

A person who violates § 5-37-507 is liable to the state for a civil penalty equal to the total amount of the tax evaded, not collected, or not accounted for and paid over to the Director of the Department of Finance and Administration that results from the violation.

History. Acts 2013, No. 1076, § 3.

SUBCHAPTER 7 — ENFORCEMENT

SECTION.

26-18-701. Issuance of certificates of indebtedness and execution.

26-18-701. Issuance of certificates of indebtedness and execution.

(a)(1)(A) If a taxpayer does not timely and properly pursue his or her remedies seeking relief from a decision of the Director of the Department of Finance and Administration and a final assessment is made against the taxpayer, or if the taxpayer fails to pay the deficiency assessed upon notice and demand, then the director shall, as soon as practicable thereafter, issue to the circuit clerk of any county of the state a certificate of indebtedness certifying that the person named in the certificate of indebtedness is indebted to the state for the amount of the tax established by the director as due.

(B)(i) If a taxpayer has a delinquent tax liability to the State of Arkansas of less than one thousand dollars (\$1,000), the director may enter into an agreement with the taxpayer to allow the taxpayer to pay the delinquency in installments.

(ii) The director may choose not to issue a certificate of indebtedness during the period of the installment agreement if he or she determines that it is in the best interest of the state.

(C)(i) If a taxpayer has a total delinquent individual income tax liability to the State of Arkansas of less than two thousand dollars (\$2,000), the director may enter into an agreement with the taxpayer to allow the taxpayer to pay the delinquency in installments if:

(a) The installment agreement is for a period of twelve (12) months or less; and

(b) The installments are to be paid electronically.

(ii) The director may choose not to issue a certificate of indebtedness during the period of the installment agreement if he or she determines that the issuance of a certificate of indebtedness is not in the best interest of the state.

(2) The circuit clerk shall enter immediately upon the circuit court judgment docket:

(A) The name of the delinquent taxpayer;

(B) The amount certified as being due;

(C) The name of the tax; and

(D) The date of entry upon the judgment docket.

(3)(A)(i) The entry of the certificate of indebtedness shall have the same force and effect as the entry of a judgment rendered by the circuit court.

(ii) This entry shall constitute the state's lien upon the title of any real and personal property of the taxpayer in the county where the certificate of indebtedness is recorded.

(B) This lien is:

(i) In addition to any other lien existing in favor of the state to secure payment of taxes, applicable interest, penalties, and costs, including any costs the circuit clerk is entitled to receive as provided by law for either the filing or the release of this lien; and

(ii) Superior to:

(a) Other liens of any type or character attaching to the property after the date of entry of the certificate of indebtedness on the judgment docket; and

(b) All claims of unsecured creditors.

(C)(i) The certificate of indebtedness authorized by this subsection shall continue in force for ten (10) years from the date of recording and shall automatically expire after the ten-year period has run.

(ii) An action on the lien on the certificate of indebtedness shall be commenced within ten (10) years after the date of recording of the certificate, and not afterward.

(iii) The director shall not be required to file a release on a lien which has expired, and the provisions of § 26-18-808 dealing with failure to release liens are not applicable to this section.

(iv) The provisions of this subsection are applicable to both liens already on file and all future filings of liens.

(b)(1) After entry of the certificate of indebtedness, the circuit clerk shall issue a writ of execution directed to the director, authorizing the director to levy upon and against all real and personal property of the taxpayer.

(2) The director shall have all remedies and may take all proceedings for the collection of the tax which may be taken for the recovery of a judgment at law.

(3) The writ of execution shall be issued, served, and executed in the same manner as provided for in the issuance and service of executions rendered by the circuit courts of this state, except the director shall act in the place of the county sheriffs.

(4) The director shall have this authority for all liens either presently filed or filed after the passage of this act.

(c)(1) Nothing in this chapter shall preclude the director from resorting to any other means provided by law for collecting delinquent taxes.

(2) The issuance of a certificate of indebtedness, entry by the circuit clerk, and levy of execution as provided in this section shall not constitute an election of remedies with respect to the collection of the tax.

(3) The taxes, interest, penalties, and fees, including any costs the circuit clerk is entitled to receive as provided by law in these matters, imposed or levied by any state tax law, when due, may be collected in the same way as a personal debt of the taxpayer.

(4) In the name of the state, the director may sue to the same effect and extent as for the enforcement of a right of action for debt.

(5) All provisional remedies available in these actions are available to the State of Arkansas in the enforcement of the payment of any state tax.

(d)(1)(A) In addition to the remedies provided in subsections (b) and (c) of this section, the director may direct the circuit clerk to issue a writ of execution directed to the county sheriff of any county authorizing the county sheriff to levy upon and against all real and personal property of the taxpayer.

(B) The writ of execution shall be issued, served, and executed in the same manner as provided for in the issuance and service of executions rendered by the circuit courts of this state.

(2)(A) The circuit clerk and county sheriff shall be entitled to receive the same fees provided by law in these matters.

(B) These fees shall be collected from the taxpayer by either the director or the county sheriff in addition to the tax, penalties, and interest included in the certificate of indebtedness.

(C) If the county sheriff is unable after diligent effort to collect the tax, interest, penalties, and costs, the director may pay such fees as are properly shown to be due to the circuit clerk and county sheriff.

(e) The director may contract with persons inside or outside the state to help the director collect delinquencies of resident or nonresident taxpayers.

History. Acts 1979, No. 401, § 23; A.S.A. 1947, § 84-4723; Acts 1989, No. 590, § 3; 1993, No. 1236, § 1; 2003, No. 1085, §§ 1, 2; 2013, No. 160, § 1. **Amendments.** The 2013 amendment added (a)(1)(C).

SUBTITLE 3. ADMINISTRATION OF LOCAL TAXES

CHAPTER 26

ASSESSMENT OF TAXES

SUBCHAPTER.

- 11. ASSESSMENT OF PROPERTY GENERALLY.
- 13. REASSESSMENT OF PROPERTY.
- 15. CORPORATIONS AND FINANCIAL INSTITUTIONS.
- 16. UTILITIES AND CARRIERS GENERALLY.
- 19. UNIFORM SYSTEM OF REAL PROPERTY ASSESSMENT.

SUBCHAPTER 11 — ASSESSMENT OF PROPERTY GENERALLY

SECTION.

26-26-1118. Limitation on increase of property's assessed value.

26-26-1118. Limitation on increase of property's assessed value.

(a)(1)(A) There is established a homestead property tax credit for each assessment year that reduces the amount of real property taxes assessed on the homestead of each property owner by three hundred fifty dollars (\$350).

(B) However, an assessment shall not be reduced to less than zero dollars (\$0.00).

(2) Each property owner shall pay the reduced tax amount to the county.

(3) The homestead property tax credit adopted by this section shall be reflected on the tax bill sent to the property owner by the county collector.

(4) The county and taxing units within the county are entitled to reimbursement of the tax reduction resulting from the homestead property tax credit in accordance with § 26-26-310.

(b)(1) Each county assessor is responsible for identifying the parcels of real property that are used as homestead residences before issuing tax bills.

(2)(A) Each property owner shall register with the county assessor proof of eligibility for the property tax credit if the property owner intends to claim a property tax credit.

(B)(i) The registration may be attached to the deed or other instrument conveying an interest in real property and filed with the circuit clerk, who shall remit the registration to the county assessor.

(ii) The circuit clerk shall not file the registration described in this subdivision (b)(2).

(C) The property owner may submit a registration for the property tax credit directly to the county assessor.

(3) The property tax credit authorized by subdivision (a)(1) of this section shall not be allowed after October 15 of the year after the assessment.

(4)(A) A parcel of real property shall qualify as a homestead prior to January 1 of the year after assessment to be eligible for the property tax credit.

(B) Once a parcel of real property is determined to be eligible for the property tax credit, the parcel of real property shall remain eligible for that year regardless of a change in the use of the parcel of real property during the year.

(5)(A) The parties to a transfer of real property may prorate, as between themselves, the property tax credit and the benefits of the property tax credit by agreement of the parties.

(B) If a parcel of real property qualifies for the property tax credit, the property tax credit shall apply regardless of who or what entity pays the property tax.

(6)(A) When real property is transferred, the purchaser of the real property shall notify the county assessor of the new use of the real property.

(B) The notification may be by affidavit provided by the purchaser of the real property or on a form provided by the county assessor.

(7) The Division of Vital Records of the Department of Health shall send to the county assessor by electronic mail a monthly report listing the residents of that county who have died.

History. Acts 2000 (2d Ex. Sess.), Nos. 1 and 2, § 6; 2001, No. 1544, § 3; 2001, No. 1598, § 1; 2003, No. 864, § 1; 2005, No. 1268, § 1; 2005, No. 1892, § 1; 2007, No. 142, § 1; 2007, No. 827, § 202; 2009, No. 655, § 4; 2011, No. 175, § 7; 2013, No. 501, § 10.

Amendments. The 2013 amendment rewrote (b)(7).

SUBCHAPTER 13 — REASSESSMENT OF PROPERTY

SECTION.

26-26-1308. Limitations on reappraisals.

Effective Dates. Acts 2013, No. 1520, § 3: Jan. 1, 2014. Effective date clause provided: "This act is effective for assessment years beginning on or after January 1, 2014."

26-26-1308. Limitations on reappraisals.

(a) [Effective until January 1, 2014.] Property shall not be reappraised for ad valorem tax purposes more than one (1) time every five (5) years unless the reappraisal is the result of a countywide reappraisal.

(a)(1) [Effective January 1, 2014.] Except as provided in subdivision (a)(2) of this section, property shall not be reappraised for ad valorem tax purposes more than one (1) time every five (5) years unless the reappraisal is the result of a countywide reappraisal.

(2) [Effective January 1, 2014.] Producing mineral interests shall be reappraised annually for ad valorem tax purposes.

(b) In the event that there is a countywide reappraisal of property for ad valorem tax purposes in any county, taxes shall not be assessed on the basis of the reappraised value of any property in the county until all taxable property in the county has been reappraised.

(c) When a countywide reappraisal of property is completed in any county and taxes are first assessed on the newly reappraised values, the provisions of Arkansas Constitution, Amendment 59, and § 26-26-401 et seq. relative to the adjustment or rollback of millage levied for ad valorem tax purposes shall be applicable.

(d) Newly discovered real property, new construction and improvements to real property, and personal property shall be listed, appraised, and assessed as otherwise provided by law until the countywide reappraisal of property is completed.

History. Acts 1999, No. 1444, § 1; 2013, No. 1520, § 1.

Amendments. The 2013 amendment rewrote (a).

Effective Dates. Acts 2013, No. 1520,

§ 3: Jan. 1, 2014. Effective date clause provided: "This act is effective for assessment years beginning on or after January 1, 2014."

SUBCHAPTER 15 — CORPORATIONS AND FINANCIAL INSTITUTIONS

SECTION.

26-26-1502. Definitions.

26-26-1502. Definitions.

As used in this subchapter, unless the context otherwise requires:

(1) "Business corporation" means a corporation incorporated under the Arkansas Business Corporation Act, § 4-27-101 et seq.;

(2) "Financial institution" means a state bank or national bank, a savings and loan association, or a building and loan association as defined in subdivisions (3)-(5) of this section;

(3) "National bank" means a bank chartered under the banking laws of the United States;

(4) "Savings and loan association" or "building and loan association" means any financial institution or association established and operating under the authority of § 23-37-101 et seq., § 23-37-706, or under any other appropriate state or federal law; and

(5) "State bank" means a bank, trust company, or savings bank chartered under the banking laws of this state.

History. Acts 1973, No. 182, § 2; A.S.A. deleted "and § 23-38-201 et seq" following 1947, § 84-2087; Acts 2013, No. 1144, § 5. "§ 23-37-706" in (4).

Amendments. The 2013 amendment

SUBCHAPTER 16 — UTILITIES AND CARRIERS GENERALLY

SECTION.

26-26-1616. Disposition of taxes and penalties.

26-26-1606. Determination of assessment.**CASE NOTES****Applicability**

Intangible personal property of a cable television company, including franchise agreements, customer relationships, and good will, was subject to ad-valorem assessment and taxation under subsection (b) of this section. The words "this subchapter" in this section should be read to

mean "this act," as they did prior to changes by the Arkansas Code Revision Commission, and therefore included all companies subject to taxation by the Arkansas Public Service Commission. *Falcon Cable Media LP v. Ark. PSC*, 2012 Ark. 463, — S.W.3d —, 2012 Ark. LEXIS 501 (Dec. 13, 2012).

26-26-1616. Disposition of taxes and penalties.

(a)(1) Except as provided in subsections (c) and (d) of this section, all taxes and penalties collected under § 26-26-1614 shall be deposited into the State Treasury as trust fund income to the credit of the Ad Valorem Tax Fund.

(2)(A) The Treasurer of State shall annually transmit to the respective county treasurers of the several counties of this state the proportionate part of the Ad Valorem Tax Fund coming from the source that the improved state highway mileage in each county bears to the improved state highway mileage in all counties, the highway mileage figures to be furnished by the Arkansas State Highway and Transportation Department on request of the Treasurer of State.

(B) The respective county treasurers shall prorate the amount so received among the several county funds, school districts, and municipalities of the county in the same ratio that the taxes received from the millage levy by each bore to the total taxes from the millage levy received by all county funds, school districts, and municipalities, according to the local county collector's settlement for the particular assessment year.

(b)(1) So long as any agency of this state shall have the function or be charged with the duty of making audits of the records and accounts of the officers and employees of counties, municipalities, or school districts or so long as any agency of this state shall have the function or be charged with the duty of assessing the property referred to in this subchapter or so long as any agency of this state shall have the function or be charged with the duty of furnishing guidance, instruction, and assistance to the county assessor in the performance of his or her duties, then the aggregate total amount expended by this state in the performance and carrying out of the functions and duties indicated shall be a proper charge against the taxes and penalties credited to the Ad Valorem Tax Fund under subsection (a) of this section.

(2) It shall be the duty of the Chief Fiscal Officer of the State to annually determine the amount of these costs and to certify to the Treasurer of State the amount that the aggregate of the taxes and penalties exceeds these costs in order that the excess may be transmitted to the respective county treasurers as provided in this section.

(c)(1) The first one hundred thousand dollars (\$100,000) collected in taxes and penalties under § 26-26-1614 during each fiscal year shall be deposited into the State Treasury as nonrevenue receipts credited to the State Central Services Fund for use by the Revenue Division of the Department of Finance and Administration.

(2) No funds collected pursuant to § 26-26-1614 shall be withheld by the state if those funds were collected under the authority of Arkansas Constitution, Article 14, § 3(b)(1).

(d) The taxes and penalties collected from water transportation companies under § 26-26-1614 in excess of two million five hundred thousand dollars (\$2,500,000) shall be deposited into the State Treasury and credited to the Arkansas Port, Intermodal, and Waterway Development Grant Program Fund to be used exclusively for the purposes stated in § 15-23-205.

History. Acts 1939, No. 119, § 2; 1953, 1947, § 84-615; Acts 2003, No. 831, §§ 4, No. 168, § 2; 1965, No. 470, § 3; A.S.A. 5; 2013, No. 1427, §§ 2, 3.

Amendments. The 2013 amendment, in (a)(1), substituted “subsections (c) and (d)” for “subsection (c),” and deleted “the

provisions of” preceding “§ 26-26-1614”; and added (d).

SUBCHAPTER 19 — UNIFORM SYSTEM OF REAL PROPERTY ASSESSMENT

SECTION.

26-26-1902. Reappraisal. [Effective January 1, 2014.]

SECTION.

26-26-1907. Arkansas Real Property Reappraisal Fund.

A.C.R.C. Notes. Acts 2013, No. 447, § 8, provides: “PARCELS. The Assessment Coordination Department shall reimburse counties and professional reappraisal companies monthly up to the maximum cost per parcel, multiplied by the total number of parcels in the county, divided by the number of months in a county’s reappraisal cycle. The term parcel as used herein shall be defined by department rule, and department reimbursements based upon only the total number of parcels determined to qualify under department rule.

“The provisions of this section shall be in effect only from July 1, 2013 through June 30, 2014.”

Acts 2013, No. 447, § 9, provides: “MAXIMUM ANNUAL FUNDING FOR

REAPPRAISALS/REVIEWS. Whether a county’s reappraisal of real property is simply a review of existing data, or a more extensive reappraisal where every improvement is measured, funding to any county, provided through the Assessment Coordination Department, will be for the actual appraisal cost, up to a maximum of seven dollars per parcel, per year. Counties must use other taxing unit sources of revenue to provide for the cost of real property reappraisals if the cost to complete the reappraisal exceeds seven dollars per parcel.”

Effective Dates. Acts 2013, No. 1520, § 3: Jan. 1, 2014. Effective date clause provided: “This act is effective for assessment years beginning on or after January 1, 2014.”

26-26-1902. Reappraisal. [Effective January 1, 2014.]

(a) Except as provided in subsection (b) of this section, each county in the State of Arkansas shall be required to appraise all market value real estate normally assessed by the county assessor at its full and fair market value at a minimum of one (1) time every three (3) years.

(b)(1) Except as provided in subdivision (b)(2) of this section, any county that has completed a reappraisal under subsection (a) of this section or completed a reappraisal between the years 2002 through 2004 shall not be required to commence or complete an additional reappraisal under the three-year cycle but shall be required to appraise all real property normally assessed by the county assessor at its full and fair market value at a minimum of one (1) time every five (5) years from the previous assessment.

(2)(A) If, as a result of a three-year reappraisal cycle, the new market value real estate assessment is greater than fifteen percent (15%) from the market value real estate assessment in the county in the year preceding the beginning of the reappraisal cycle, the county shall be required to complete its next reappraisal at a minimum of

one (1) time every three (3) years from the previous assessment until the new market value real estate assessment is less than fifteen percent (15%) from the market value real estate assessment in the year preceding the beginning of the reappraisal cycle, at which point the county shall be placed into a five-year reappraisal cycle.

(B) If a county in a five-year reappraisal cycle has a new market value real estate assessment that is twenty-five percent (25%) greater than the market value real estate assessment in the county in the year preceding the beginning of the reappraisal cycle, the county shall be required to complete its next reappraisal at a minimum of one (1) time every three (3) years from the previous assessment until the new market value real estate assessment is less than fifteen percent (15%) from the market value real estate assessment in the year preceding the beginning of the reappraisal cycle, at which point the county shall be placed into a five-year reappraisal cycle.

(C) The market value real estate assessments shall be calculated by comparing the total values, unadjusted for the assessment increase limitations required under Arkansas Constitution, Amendment 79.

(3)(A) At the time that a county submits its market value real estate assessments to the Assessment Coordination Department, the county may appeal its new or continued placement into a three-year reappraisal cycle if the increased market value real estate assessment is a result of a single property improvement.

(B)(i) The department shall place a county in a five-year reappraisal cycle if the department concludes that the increase in the new real estate market value assessment is a result of a single property improvement in the county.

(ii) This decision by the department shall be made within thirty (30) calendar days after receiving the appeal.

(4) Each county shall provide the department with the previous and new market value real estate assessments on or before October 1 of the year in which it is required to have completed reappraisal.

(5) This section does not affect the requirement that producing mineral interests be reappraised annually under § 26-26-1308.

(c)(1) The county assessor or other official or officials designated by law shall compare the assessed value of each parcel under a reappraisal or reassessment that is completed in 1999 or later to the assessed value of the parcel for the previous year.

(2) In the first county-wide reappraisal performed after January 1, 2001, by counties subject to Arkansas Constitution, Amendment 79, § 2:

(A) If the assessed value of the parcel increased, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed shall be adjusted by adding one-third ($\frac{1}{3}$) of the increase to the assessed value for the year prior to the reappraisal or reassessment; and

(B) An additional one-third ($\frac{1}{3}$) of the increase shall be added in each of the next two (2) years.

History. Acts 1999, No. 1185, § 1; 2001, No. 1058, § 1; 2005, No. 2259, § 1; 2013, No. 1520, §§ 2, 3.

Publisher's Notes. For version of section effective until January 1, 2014, see the bound version.

Amendments. The 2013 amendment added (b)(5).

Effective Dates. Acts 2013, No. 1520, § 3: Jan. 1, 2014. Effective date clause provided: "This act is effective for assessment years beginning on or after January 1, 2014."

26-26-1907. Arkansas Real Property Reappraisal Fund.

(a)(1) There is created a fund to be known as the "Arkansas Real Property Reappraisal Fund".

(2) The proceeds of the fund shall be used to pay counties and professional reappraisal companies for the reappraisal of real property required by this subchapter and shall be in lieu of real property reappraisal funding by the local taxing units in each county of this state.

(b) For cause and after an opportunity for a hearing, the Director of the Assessment Coordination Department may suspend or terminate the contract of any appraisal firm or county.

(c)(1) The fund proceeds shall be distributed monthly, except when there is a determination by the Assessment Coordination Department that proper reappraisal procedures established by the department are not being followed.

(2)(A)(i) Upon a finding by the department that proper reappraisal procedures are not being followed, the county assessor or contractor shall be notified that the reappraisal is out of compliance with accepted guidelines as established in this subchapter and rules enacted pursuant to this subchapter.

(ii) The department shall notify the county assessor or contractor in writing that the county assessor or contractor has thirty (30) days in which to bring the reappraisal into compliance.

(B) If there is a further finding that proper reappraisal procedures are not being followed, the contract shall be promptly terminated and the department shall negotiate another contract and reappraisal management plan for the completion of the reappraisal project.

(d) Based on its expertise and the criteria and requirements set forth in this subchapter, the department shall establish by rule the findings that indicate proper reappraisal procedures are not being followed.

(e) At the end of each countywide reappraisal, the department shall issue a report of the status of the county.

(f) Reappraisal funding under this section may be withheld and forfeited under § 26-80-101(b)(4)(A).

History. Acts 1999, No. 1185, § 6; 2001, No. 1553, § 57; 2013, No. 1135, § 2.

Amendments. The 2013 amendment added (f).

CHAPTER 27

EQUALIZATION OF ASSESSMENTS

SUBCHAPTER.

3. COUNTY EQUALIZATION BOARDS.

SUBCHAPTER 3 — COUNTY EQUALIZATION BOARDS

SECTION.

26-27-318. Appeals to courts.

26-27-323. Authority to hear certain appeals.

26-27-318. Appeals to courts.

(a)(1)(A) The county assessor or a property owner who is aggrieved at the action of the county equalization board may appeal from the action of the county equalization board to the county court by filing a petition of appeal with the county clerk, who shall assign a case number to the appeal.

(B) The county clerk shall not charge a fee for filing an appeal under subdivision (a)(1)(A) of this section.

(b) No appeal to the county court shall be taken unless the petitioner:

(1) Has exhausted his or her remedy before the county equalization board; or

(2) Was not sent the notice of value change as required by § 26-23-203.

(c)(1) An appeal must be filed on or before the second Monday in October of each year and shall have preference over all matters before the county court and shall be heard and an order made on or before the fifteenth day of November.

(2)(A) The county court shall notify in writing the property owner or county assessor of its decision no later than twenty (20) working days after the property owner's appeal hearing.

(B) The notification shall state the county court's decision and that the property owner may appeal the decision to the circuit court.

(d) No reduction shall be allowed except on evidence corroborative of that of the property owner.

(e) Upon an appeal, any property owner in the county may appear and be heard in support of or in opposition to the appeal.

(f)(1)(A) The county court shall acquire no jurisdiction to hear the appeal unless the county clerk shall have first given notice of the appeal by publication by one (1) insertion published not less than one (1) week before the date fixed for the hearing of the appeal in a daily or weekly newspaper published and having a bona fide general circulation in the county or in any county in which no daily or weekly newspaper is published, by posting a notice at the courthouse and in four (4) other conspicuous places in the county seat of the county for a period of not less than one (1) week before the date fixed for the hearing of the appeal.

- (B) The notice shall state:
 - (i) The name of the parties taking the appeal;
 - (ii) The assessment complained of, together with a definite description of the property so assessed;
 - (iii) The name of the supposed property owner;
 - (iv) The time and place fixed for the hearing of the appeal; and
 - (v) That any property owner in the county may appear at the hearing of the appeal and be heard in support of or in opposition to the appeal.
- (2) The notice of appeal may be in the following form:

“NOTICE OF APPEAL FROM TAX ASSESSMENT

“Notice is hereby given that
hereby appeals to the County Court of
County from an assessment on property described as follows:

| Name of Supposed Owner | Description of Property | Amount of Assessment Complained of |
|---------------------------|----------------------------|---------------------------------------|
| | | |

“Such appeal will be heard by the county court ato’clockM. at the courthouse at, Arkansas, on the day of,, and any owner of property in said county may appear at said hearing in support thereof or in opposition thereto.”

County Clerk

(g) It shall be the duty of the prosecuting attorney or his or her deputy, when called upon by the county assessor, a member of the county equalization board, or the county court, to represent the county and the state in the prosecution of all appeals before the county courts and the circuit courts.

History. Acts 1919, No. 147, § 11; C. & M. Dig., § 9911; Acts 1929, No. 172, § 30; Pope’s Dig., § 13671; Acts 1951, No. 367, § 1; A.S.A. 1947, § 84-708; Acts 1989, No. 34, § 1; 1999, No. 572, § 5; 2005, No. 1947, § 1; 2009, No. 276, § 2; 2013, No. 544, § 3.

Amendments. The 2013 amendment redesignated former (a)(1) as (a)(1)(A); in (a)(1)(A), substituted “a property owner who is” for “any property owner who may feel,” and added “who shall assign a case number to the appeal” at the end; and added (a)(1)(B).

26-27-323. Authority to hear certain appeals.

- (a) In addition to its other duties, a county equalization board shall hear appeals under § 14-126-103.
- (b) The board shall meet as necessary to hear appeals under § 14-126-103.

History. Acts 2013, No. 570, § 2.

